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AAA
NEWS
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Facts

for
**NORTHEAST
COMMITTEEMEN**

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1939 A MILESTONE YEAR FOR AGRICULTURE

American agriculture is no longer sectional, but national. Northeastern farmers recognize this. Your steadily increasing participation in AAA programs is evidence that you realize farmers require a national program to meet agricultural problems which are national.

Surpluses are national problems. We have all been encouraged by the frequent statements from you Northeasterners that you are concerned about wheat and cotton surpluses just as are Western and Southern farmers. Those surpluses resulted from the lack of any effective acreage adjustment program from 1935 to 1938. Now, after years of effort and experience, farmers have effective machinery for meeting those situations.

Of course such a far reaching program is criticised. Every great constructive program for the welfare of the people is built and developed amidst a clamoring chorus of criticism. Criticism is healthy. It is heard only in democratic countries. That the AAA program is subject to this fire is a sign that it is a thing of substance and vitality.

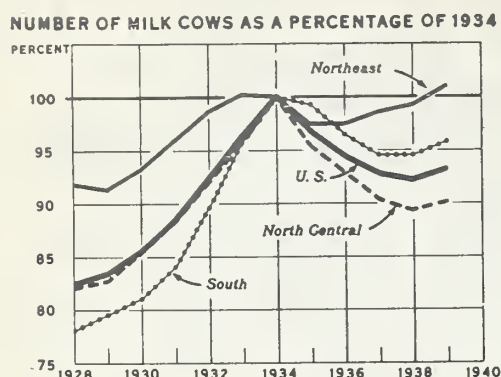
In my opinion this is the best piece of farm legislation ever enacted in this or any other country. It will do the job. It contains all the best elements of farm plans proposed during the last 20 years. It is based on conservation, but recognizes that farm income must be protected along with the soil. It has within it suitable tools for meeting most of the problems farmers face.

It is gratifying to see how you farmers of the Northeast have joined hands with your fellow farmers of South and West in this national program. We have the first real chance to make the program work for us this year. I believe 1939 will be a milestone year in the history of agriculture.

R. M. Evans, Administrator,
Agricultural Adjustment Administration.

DAIRY COW NUMBERS BEGIN TO INCREASE

The number of dairy cows in the United States, which had dropped 8% between January 1, 1934 and January 1, 1938, started to increase in the past year. While the increase amounts to only a little over 1%, all sections of the country have shared in the upward movement. The upward movement started in the Northeast in 1936 two years earlier than in most of the remainder of the country. While the increase until now is not of much significance, if it should develop into an expansion similar to that which occurred in 1928-34, it would be a matter of grave concern to dairymen.



In a general way, the most important determinant of changes in numbers

Changes in Numbers of Dairy Cows in the South as Related to the Return per pound of Cotton

Period	Return per lb. of Cotton*	Annual Average Change in Numbers of Dairy Cows
1920-29	19.4¢	.4% increase
1930-33	8.6¢	4.7% "
1934-37	13.4¢	1.1% decrease

* Including Government payments for Cotton

of cows in specialized milk areas is the price of milk, while in sections in which dairying is a minor enterprise, expansion or contraction of dairying depends more upon how profitable are the other kinds of farming. In the South, low priced cotton usually means more cows, while under good cotton prices dairying decreases or at most expands relatively little.

In the Corn Belt in a period of cheap corn and low priced hogs dairy

Period	U.S. Corn Price (bu.)	U.S. Hog Prices (cwt.)	Changes in Cow Numbers (Percent)
1928-30	74¢	\$8.87	5.2 increase
1931-33	39¢	4.40	15.7 "
1934-36	84¢	7.28	9.8 decrease

cows increased sharply in numbers while after good prices of corn and hogs the rate of increase has been less or the number of cows has decreased.

In the Northeastern States, changes in the numbers of dairy cows appear to be most directly associated with changes in the price of milk.

The only Northeastern States in which the number of cows increased more than 10% over the national average, between 1928 and 1938, were Rhode Island, Connecticut, and New Jersey, with 15, 23, and 21%, respectively. With the exception of Massachusetts, which appears to have been strongly affected by other causes, these were the only States with an average milk price of better than \$2.50 per 100 pounds.

There is no discernible relationship between cow numbers and the extent to which soil-building practices have been carried out under the conservation program. If better farming under the program has had an influence toward expansion, it is statistically imperceptible.

Number of Cows and Wholesale Prices of Milk, Northeastern States

<u>State</u>	<u>No. Cows Jan. 1</u> <u>(Thousands)</u>		<u>Percent</u> <u>Increase</u>	<u>Average Price</u> <u>Milk</u>
	<u>1928</u>	<u>1938</u>		<u>(10 yrs. 1928-37)</u>
Maine	138	144	4.3	\$2.15
N. H.	75	78	4.0	2.26
Vermont	279	299	7.2	2.00
Mass.	136	139	2.2	2.82
R. I.	20	23	15.0	2.84
Conn.	102	126	23.5	2.78
New York	1306	1395	6.8	1.98
N. J.	117	142	21.4	2.56
Pa.	820	887	8.2	2.07

It is not practical here to give a detailed account of the many minor factors that alter more or less minutely the growth or shrinkage of the dairy industry. The practical approaches to dairy stabilization appear to be measures, first, to bring about reasonable incomes from alternative enterprises, and second, to take the necessary measures to prevent over-expansion in the market milk areas whenever the price of milk rises to a point where farmers can make a decent living.

FARM FAMILY INCOME IN UNITED STATES MUCH IMPROVED

Income Available for Farm Family Living

<u>Year</u>	<u>Income Avail- able for Farm Family Living (Billion Dollars)</u>	<u>Relative Quantity of Goods Family Incomes Would Buy (1923-29 = 100)</u>
1921	4.3	62
1922	5.4	81
1923	6.6	95
1924	6.9	101
1925	7.4	105
1926	6.9	98
1927	6.8	100
1928	6.9	100
1929	6.8	100
1930	5.1	80
1931	3.1	57
1932	1.8	39
1933	2.1	46
1934	3.4	64
1935	4.2	79
1936	5.3	101
1937	5.7	104
1938	4.8	91

The farmers of the country had income enough in 1932 to buy for their family living only 39% as much goods as in the earlier period. By 1937 recovery had proceeded to the point where the national net farm income was worth more than in any year since the War, except 1925, and was only 1% below that year. Income for 1938 is estimated to have fallen to 9% below the 1923-1929 average. Most forecasts for 1939 indicate an improvement from the 1938 figure.

The ups and downs of the net incomes of the farm families of the country since the World War are shown in the table. The column at the right compares the real value, that is, the quantity of goods the income of various years would buy, using the average value from 1923 to 1929 as the standard.

OUR RECORD - A CHALLENGE

State	Total Cropland	Cropland on Farms in Programs			% Cropland in 1938 Program
		1936	1937	1938	
N. J.	1,105,579	335,478	769,286	623,775	74.5
Maine	1,476,422	440,737	732,888	862,384	58.4
Pa.	8,298,581	2,555,348	3,872,810	4,520,987	54.5
Vermont	1,162,726	398,000	477,656	616,454	53.0
N. H.	469,076	132,414	224,184	231,682	49.0
Mass.	635,548	137,308	253,120	262,856	41.4
Conn.	563,359	161,906	225,705	215,704	38.3
N. Y.	8,846,756	2,883,386	3,879,818	3,204,372	36.2
R. I.	81,554	8,495	22,836	26,951	33.0

NEW ENGLAND FARMERS BUSY WITH TIMBER CLEANUP

New England's disastrous hurricane last fall gave her farmers the unprecedented job of salvaging as soon as possible four billion feet of lumber, and clearing away the resulting slash to eliminate the dangerous fire hazard and to encourage natural reforestation next spring.

Farmers, with State and Federal agencies aiding, are well started on a cooperative salvage and cleanup program. The U. S. Forest Service is buying graded timber which is stored for future resale, opening woodland fire lanes, and removing slash along highways and from around buildings where the fire hazard endangers human life.

The Government, alone, cannot do the tremendous cleanup job which remains to be done on thousands of acres of New England farm woodland. That responsibility rests upon the owner.

To aid the woodland owner meet the expense of cleanup, the AAA offers New England a special cleanup practice in the 1939 Agricultural Conservation program, which makes a payment of \$4 per acre for a maximum of 15 acres cleared so as to reduce the fire hazard and permit natural reseeding. The payment for this practice is separate from the maximum soil-building payment.

Progress Report on March 1

State	No. Farms Applied	No. Farm	
		Woodlots Approved	Acreage Approved
N. H.	3188	3353	35379
Vermont	188	188	2740
Mass.	2141	908	9627
Conn.	756	543	6404
R. I.	143		
Total	6416	4990	54450

On the basis of available figures there were approximately 6500 farm woodlots on March 1 which had applied for this special practice. Approximately 5000 farm woodlots with 55,000 acres of woodland entered for cleanup had been approved by county committees on that date.